

## **STATEMENT OF PURPOSE**

### **RS21673**

Currently many sections of code refer to an "annual" registration instead of "staggered" as referred to in passenger car registration. At the time these codes were created ITD still used pre-printed expiration date decals to authenticate the license plate, and it made appropriate business sense to have all "annual" registration expire at the end of December. Certain sections of code did not provide for prorating, therefore the customer would pay for a whole year, and only receive whatever remainder was left, e.g. an applicant files for motorcycle registration in October, pays the full fee, and the registration expires at the end of December of the same year.

This also creates a heavy workload surge at the end of the year for the counties and Motor Carrier Services for all these registrations that expire at the same time. Since the Print on Demand Decals have been instituted, with the DMV system printing all of ITD's expiration decals, workload is much easier to monitor and control. Because of this, it now makes better business sense and improves customer service delivery to stagger expiration dates for all registrations not associated with expiration dates controlled by other agencies such as Parks and Recreation. Anything still requiring an additional decal from another entity, (i.e., Parks & Recreation) would still need to expire at the end of December to keep multiple registration types in sync, e.g., recreational vehicles and off-highway vehicle registration for motorcycles.

This proposal will amend Sections 49-402, 49-402A, and 49-434, Idaho Code, to stagger vehicle registrations year-to-year, beginning at the first date of registration, consistent with passenger car registrations, instead of by calendar year. Wherever it makes more sense to stagger a registration, and does not require an additional decal from another entity, i.e., Parks & Recreation, or is prohibited in rule, staggering registration year-to-year beginning at the first date of registration will allow the customer to get a full year's registration for a full year's fees, regardless of the date, eliminating a full fee for a partial year. A vehicle registered on June 1 which would previously have expired on December 31, will now remain in effect until May 31 of the following year.

Coordination with the DMV Modernization effort will require an effective date of January 1, 2014.

### **FISCAL NOTE**

There will be an estimated annual loss of \$60,000 in motorcycle registration fees deposited to the Highway Distribution Account (HDA). Based on the HDA distribution formula; \$34,200 reduction in funds to the State Highway Account, \$22,800 reduction in funds to the Local Highway Distribution Account, and \$3,000 reduction in funds to the Law Enforcement Account.

There will also be an estimated annual loss of approximately \$40,000 to the Motorcycle Safety Program Fund used to fund the Skills Training Advantage for Riders (STAR) program.

Due to the January 1, 2014 (mid-fiscal year) effective date of this legislation, fiscal impact would be one-half the full-fiscal year figures reflected above during FY14, only.

These numbers are based on the estimated annual new motorcycle registration transactions, where full, not pro-rated, fees must be paid for motorcycle registration and the STAR program. While the annual registrant transaction must be paid in full regardless of the date, the registrant is only

covered through the end of the calendar year before being required to purchase and pay full fees again for registration effective January 1st of the following year.

There are approximately 54,000 motorcycle registrations annually, of which it is estimated 25% are new registrations paying full fees for less than one year of registration.

If this legislation fails, new registrants of motorcycles will continue to pay for a full years' registration and receive only a partial years' registration.



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